

# D R A F T

## SUMMARY

Permits shareholders in and members of cooperative corporations to vote by electronic means. Defines “electronic means”.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

Relating to voting methods for cooperative corporations; creating new provisions; amending ORS 62.195 and 62.265; and declaring an emergency.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** ORS 62.195 is amended to read:

62.195. (1) A shareholder may vote [*either*] in person, **by electronic means** or by **a proxy** [*executed in writing by*] **that** the shareholder or [*by*] the duly authorized attorney-in-fact of the shareholder **executes in writing**. [*No proxy shall be*] **A proxy is not** valid after 11 months from the date of [*its*] execution unless otherwise provided in the proxy. The following provisions, relating to voting of shares, apply to shareholders of cooperatives and shares of the capital stock of cooperatives other than membership stock:

(a) Shares standing in the name of another domestic or foreign cooperative may be voted by such officer, agent or proxy as the bylaws of the cooperative may prescribe, or, in the absence of such provision, as the board of directors of the cooperative may determine.

(b) An administrator, executor, guardian or conservator holding shares may vote the shares, [*either*] in person, **by electronic means** or by **a proxy**, without [*a transfer of such*] **transferring the** shares into the name of the administrator, executor, guardian or conservator. Shares standing in the

1 name of a trustee may be voted by the trustee, *[either]* in person, **by elec-**  
 2 **tronic means** or by a proxy, but *[no]* a trustee *[shall be entitled to]* **may**  
 3 **not** vote shares held by the trustee without *[a transfer of]* **transferring** the  
 4 shares into the trustee's name.

5 (c) Shares standing in the name of a receiver may be voted by the re-  
 6 ceiver, and shares held by or under control of a receiver may be voted by the  
 7 receiver without *[the transfer thereof]* **transferring the shares** into the  
 8 receiver's name if *[authority so to do is contained in]* an appropriate order  
 9 of the court by which the receiver was appointed **authorizes the receiver**  
 10 **to vote the shares.**

11 (d) A shareholder whose shares are pledged *[shall be entitled to]* **may** vote  
 12 the shares until the shares have been transferred into the name of the  
 13 pledgee, and thereafter the pledgee *[shall be entitled to]* **may** vote the shares  
 14 so transferred.

15 (2) For the purpose of determining shareholders entitled to notice of or  
 16 to vote at meetings, or entitled to receive payment of any dividend, the by-  
 17 laws may fix in advance a date as the record date for any such determination  
 18 of shareholders. *[Such date shall]* **The date must** be not more than 50 days  
 19 and not less than 10 days prior to the date on which the particular action  
 20 requiring such determination of shareholders is to be taken. If *[no such]* a  
 21 record date is **not** fixed by the bylaws, the date on which notice of the  
 22 meeting is mailed, or the date on which the resolution of the board of di-  
 23 rectors declaring such dividend is adopted, *[as the case may be, shall be]* **is**  
 24 the record date for such determination of shareholders. *[When]* A determi-  
 25 nation of shareholders entitled to vote at any meeting *[has been made as*  
 26 *provided in this section, such determination shall apply]* **made under this**  
 27 **subsection applies** to any adjournment of that meeting.

28 (3) **As used in this section, "electronic means" means a method of**  
 29 **voting that complies with ORS 84.001 to 84.061.**

30 **SECTION 2.** ORS 62.265 is amended to read:

31 62.265. (1) Each member is entitled to one vote with respect to a matter

1 that is subject to a vote at any member meeting, except that bylaws may  
 2 authorize voting according to actual, estimated or potential patronage, or a  
 3 combination of voting according to actual, estimated or potential patronage.  
 4 Shares of stock do not have voting power except in the specific instances  
 5 authorized by this chapter.

6 (2) Members may not vote by proxy, except that a member that is a cor-  
 7 poration, association or partnership may designate a representative to cast  
 8 the member's vote. In the absence of written notice that a member has des-  
 9 ignated a person other than a natural person to represent the member, the  
 10 member's principal officers may represent the member. If the bylaws of a  
 11 cooperative provide for forming districts and electing delegates at district  
 12 meetings to represent the districts in member meetings, such representation  
 13 is not voting by proxy and the delegates shall cast the votes to which the  
 14 members that the delegates represent are entitled on matters that mail bal-  
 15 lots submitted to all members do not cover.

16 (3)(a) If the bylaws so provide, the board may submit any question that  
 17 is subject to a vote at a member meeting [*by written ballot*], including the  
 18 election of directors, **by written ballot or electronic means**. The ballot  
 19 must be mailed or communicated by electronic transmission to each member,  
 20 along with the notice of the meeting. The ballot may be cast if the member's  
 21 signature authenticates the ballot. A vote cast by this method must be  
 22 counted as if the member were present and voting in person.

23 **(b) As used in this subsection, "electronic means" means a method**  
 24 **of voting that complies with ORS 84.001 to 84.061.**

25 (4) The bylaws may set forth provisions with respect to the methods and  
 26 procedures for voting that are consistent with this chapter.

27 **SECTION 3. The amendments to ORS 62.195 and 62.265 by sections**  
 28 **1 and 2 of this 2016 Act apply to shareholder voting and member voting**  
 29 **that occurs on or after the effective date of this 2016 Act.**

30 **SECTION 4. This 2016 Act being necessary for the immediate pres-**  
 31 **ervation of the public peace, health and safety, an emergency is de-**

1 **clared to exist, and this 2016 Act takes effect on its passage.**

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